

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: Fiscal Review Committee Staff

DATE: February 14, 1995

SUBJECT: **HB 30 - SB 258**

This bill, if enacted, will provide for the denial or revocation of driver, hunting and fishing, occupational, trade, industry, business permits, registration or certifications issued by the state licensing authority for persons who are more than 90 days in arrears in making payments in full for current support. The bill requires licensing authorities to furnish information or magnetic tape or other machine readable form to the Department of Human Services concerning their licensees and applicants for licenses concerning names and license status. The bill provides for administrative hearings before the Department of Human Services for an obligor to contest the issue of compliance. The bill is effective upon becoming law for purposes of rulemaking and January 1, 1996 for implementation of all other provisions.

The fiscal impact from enactment of this bill is estimated to be as follows:

1. An estimated increase in first year state revenues of approximately \$32,500,000 which assumes a 15% collection rate. Presently, approximately \$180,000,000 is owed the state for AFDC repayments and 70% is estimated to be owed by non-custodial parents residing in Tennessee who would be subject to license revocation. In the second and subsequent years, the estimated increase in revenue is estimated to exceed \$1,000,000.

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2. The estimated increase in revenues in Number 1 above is estimated to result in an increase in first year local government revenues of approximately \$1,625,000 which represents 5% court clerks fee applied to the increased collections.
3. An estimated increase in first year recurring expenditures to the Department of Human Services of \$352,500 of which \$120,000 will be state funds and one-time expenditures of \$22,500 of which \$7,600 will be state funds. This estimate represents three positions and related expenses and \$261,500 to process increased collections by extending a contract presently being used to process the backlog of undistributed collections.
4. An estimated increase in first year recurring state expenditures to the Department of Health of \$84,200 and a one-time increase in state expenditures of \$5,000.
5. An estimated increase in first year recurring state expenditures to the Department of Commerce and Insurance of approximately \$200,000 and a one-time increase in state expenditures of approximately \$50,000.
6. An estimated increase and/or decrease in state revenues with the regulatory boards located in the Departments of Health and Commerce and Insurance dependent on license revocations, reinstatements, etc; however, a reasonable estimate of the increase/decrease cannot be reasonably determined but is estimated to exceed \$100,000.
7. An estimated increase in first year state expenditures to the Department of Safety of approximately \$800,000 and a one-time increase in state expenditures of approximately \$100,000. This estimate assumes approximately 50,000 persons will receive notice of driver license and registration suspension.
8. An estimated increase in first year state expenditures to the Tennessee Wildlife Resources Agency due to the denial or revocation of hunting and fishing licenses to individuals for nonpayment of child support. This estimate is for record keeping, information dissemination and later issuance of a license. The increase in expenditures cannot reasonably be determined but is estimated not to be significant.

A summary of the fiscal impact is outlined below:

1. An estimated increase in first year state revenues of \$32,500,000 and a significant increase and/or decrease in revenues to regulatory boards in the Departments of Health and Commerce and Insurance.

2. An estimated increase in first year local government revenues of approximately \$1,625,000.
3. An estimated increase in first year recurring expenditures of \$1,436,700 of which \$1,204,200 will be state funds and a one-time increase in expenditures of \$177,500 of which \$162,600 will be state funds.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

Fiscal Review Committee Staff